

VZCZCXRO0483
PP RUEHFK RUEHKSO RUEHNAG RUEHNH
DE RUEHKO #4866/01 2370121
ZNR UUUUU ZZH
P 250121Z AUG 06
FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC PRIORITY 5727
INFO RUEKJCS/SECDEF WASHDC PRIORITY
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY
RUEAWJA/USDOJ WASHDC PRIORITY
RULSDMK/USDOT WASHDC PRIORITY
RUCPDOG/USDOC WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC//J5//
RHHMUNA/HQ USPACOM HONOLULU HI
RHHMHBA/COMPACFLT PEARL HARBOR HI
RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//
RHMFIUU/COMUSJAPAN YOKOTA AB JA//J5/JO21//
RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA
RUAYJAA/COMPATWING ONE KAMI SEYA JA
RUEHNH/AMCONSUL NAHA 0360
RUEHFK/AMCONSUL FUKUOKA 7792
RUEHOK/AMCONSUL OSAKA KOBE 1130
RUEHNAG/AMCONSUL NAGOYA 7603
RUEHKSO/AMCONSUL SAPPORO 8903
RUEHBJ/AMEMBASSY BEIJING 3904
RUEHUL/AMEMBASSY SEOUL 0037
RUCNDT/USMISSION USUN NEW YORK 1724

UNCLAS SECTION 01 OF 10 TOKYO 004866

SIPDIS

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA;
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;
SECDEF FOR JCS-J-5/JAPAN,
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 08/25/06

Index:

- 1) Top headlines
- 2) Editorials
- 3) Prime Minister's daily schedule
- 4) Prime Minister Koizumi returns from a vacation at his official residence of lounging around and watching the high-school baseball tourney on TV
- 5) Prime Minister Koizumi in meeting with former Iranian president presses for negotiated settlement of nuclear issue
- 6) Government in order to create world nuclear fuel supply to provide assistance for uranium development
- 7) Three Aegis ships to be deployed to Yokosuka Navy Base

Political season:

- 8) Shinzo Abe now has over 300 supporters in the LDP who want him to be next prime minister
- 9) Abe if elected prime minister plans summit meeting with Chinese leader at APEC conference in November
- 10) Abe's pledge to create a Japan-style NSC aimed at strengthening the US-Japan alliance
- 11) Foreign Minister Aso, also in the LDP presidential race, comes down in favor of use of right to use collective self-defense
- 12) Anti-Abe forces in the LDP uniting under Koichi Kato and Taku Yamasuki in foreign policy study group

Ozawa in action:

13) Minshuto (Democratic Party of America) President to visit the US starting Sept. 3

14) Ozawa's "safety net policy" would cut in half the income and fixed-property taxes

15) Yasukuni Shrine's controversial Yushukan war museum to tone down exhibits that "invite misunderstanding" about US' wartime strategy

16) US beef demand still slack a month after imports resumed with only 42 tons shipped

17) Cabinet Office poll shows 45% of adults condone buying fake brand goods because they are cheap and easily available

Articles:

1) TOP HEADLINES

Asahi, Yomiuri, and Sankei:

Pluto no longer a planet under new guidelines, downsizing the solar system to eight planets

Mainichi:

Yokohama hospital allowed unlicensed midwives to practice for over 40 years

Nihon Keizai:

Listed firms' rate of liability dependence falls to below 30%

Tokyo Shimbun:

TOKYO 00004866 002 OF 010

Justice Ministry to place crime victim advisers to provide information and assistance starting in fiscal 2007

Akahata:

Japan Post to postpone abolishing mail-collection-and-delivery post offices due to strong local opposition

2) EDITORIALS

Asahi:

(1) Wrongly held driver acquitted after 10 months

(2) Full-time jobs need to be increased

Mainichi:

(1) Capping interest rates: Special measures not a base

(2) Middle school efforts to prevent stealing of umbrellas

Yomiuri:

(1) Asian trade partnership will test diplomacy

(2) Shredder accidents revealed need to take greater safety measures

Nihon Keizai:

(1) Japan must display leadership in Asia economic diplomacy

Sankei:

(1) Shredder accidents revealed unexpected dangers

(2) Prison guard scandal: Eliminate collusive system

Tokyo Shimbun:

(1) Nuclear nonproliferation takes persistent efforts

(2) Tsukuba Express marks first anniversary

Akahata:

(1) Historical views dangerous

3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, August 24

NIHON KEIZAI (Page 2) (Full)

August 25, 2006

10:56

Met at Kantei with former Finance Minister Shiokawa and Yasutaka Kojima, visiting professor at Bukkyo University.

11:21

Met high school students, International Science Olympics winners. Met afterwards with Deputy Chief Cabinet Secretary Futahashi.

12:01

Met with Education Minister Kosaka.

14:00

Met with Land, Infrastructure and Transport Minister Kitagawa, followed by the Foreign Ministry's Deputy Minister Nishida and European and Oceanian Affairs Bureau chief Harada.

15:55

Met with former Iranian President Khatami.

TOKYO 00004866 003 OF 010

16:44

Met with Cabinet Intelligence Director Mitani, JDA Defense Policy Bureau chief Ofuru and Defense Intelligence Headquarters chief Mukunoki.

17:07

Met with Internal Affairs and Communications Minister Takenaka, followed by UNESCO Secretary General Matsuura and Japanese Ambassador to UNESCO Sato. Met later with Agriculture, Forestry and Fisheries Minister Nakagawa.

18:43

Had a haircut at the barber in Capital Tokyu Hotel.

19:36

Returned to his official residence.

4) Prime Minister returns to duty after spending nine days of summer vacation lounging around and watching high-school baseball tournament on TV

TOKYO SHIMBUN (Page 2) (Full)
August 25, 2006

Prime Minister Junichiro Koizumi yesterday returned to his official duty after nine-days of summer vacation.

The prime minister appeared at the Kantei before 11:00 a.m., saying to reporters: "Long time no see." He received a courtesy call by 16 prizewinners in the International Science Olympics, a world convention for high school students.

After visiting Yasukuni Shrine on Aug. 15, the day marking the end of World War II, the prime minister took summer vacation starting on Aug. 16. He shut himself up in his official residence for eight days. The prime minister told reporters: "I was lounging around, listening to music and reading books. I enjoyed watching the high-school baseball on TV and was impressed."

5) Hatami to Koizumi: "Settling Iran nuclear issue through talks is desirable"

TOKYO SHIMBUN (Page 2) (Full)
August 25, 2006

Prime Minister Junichiro Koizumi met with former Iranian President Mohammed Hatami at the Kantei yesterday.

In reference to Iran's nuclear development issue, Hatami said:

"The issue should be settled through negotiations. A hasty attempt to resolve the issue will only lead to allowing extremism to gain influence in Iran. I hope Japan will play a positive role to that end."

Prime Minister urged Iran to accept the package of incentives drafted by the permanent member nations of the United Nations Security Council and Germany, saying: "It is important for Iran to maintain the cooperative system with the international community.

6) Government to subsidize half of uranium development cost as measure to secure fuel for nuclear plants

TOKYO 00004866 004 OF 010

SANKEI (Page 1) (Excerpts)
August 25, 2006

The government yesterday decided to move ahead with a plan to promote the exploration of uranium by Japanese companies in uranium-producing countries. The aim is to secure uranium fuel for nuclear power generation. It will finance 50% of such costs starting next fiscal year. The government will also strengthen cooperative relations with Kazakhstan, which has the world's second-largest uranium reserves, by providing technologies for uranium exploration and the construction of a nuclear plant. Demand for uranium is now high, following the construction of nuclear plants in China and India. Since uranium prices continue to be high, the government has determined that it is indispensable to strengthen relations with uranium-producing countries and take part in development projects in producing countries.

The Ministry of Economy, Trade and Industry (METI) and the Natural Resources and Energy Agency will include 1.3 billion yen for overseas uranium exploration projects in their fiscal 2007 budget requests. They also plan to add Kazakhstan to Vietnam and Indonesia on the list of countries eligible for assistance for the introduction of nuclear plants. Prime Minister Koizumi, who is scheduled to visit Kazakhstan on the 28th, will announce assistance to that nation. Japan's cooperation on nuclear power will thus be incorporated in a joint statement.

There are 474 million tons of confirmed uranium reserves worldwide. Kazakhstan has the second-largest reserves of 810,000 tons, following Australia's 1.14 million tons. Its reserves greatly exceed those of Canada (440,000 tons) and the US (340,000 tons). However, exports to Japan have been below 1% of its total export volume.

7) 3 US Navy Aegis ships deploying to Yokosuka

YOMIURI (Page 4) (Full)
August 25, 2006

The US Navy will deploy three Aegis-equipped vessels to its Yokosuka base in Kanagawa Prefecture within the year, Defense Agency Administrative Deputy Director General Takemasa Moriya told a press conference yesterday. The three ships are loaded with the Standard Missile 3 (SM-3), a sea-based intercept missile. The first one is the USS Shiloh, which will arrive at Yokosuka on Aug. 29.

8) 2006 LDP presidency: Abe likely to get support from over 300 party members; His victory now certain

SANKEI (Page 2) (Excerpts)
August 25, 2006

Factions in the Liberal Democratic Party (LDP) decided yesterday on their stance of whom they would back in the Sept. 20 party's presidential election. As a result, the factions of Mori, Niwa-Koga, Ibuki, and Nikai have made it clear to support Chief Cabinet Secretary Shinzo Abe. Meanwhile, the Tsushima and Yamasaki factions

SIPDIS
have decided to let their members cast their votes independently. However, many in the Tsushima faction favor Abe. Therefore, more than 300 of the 403 LDP lawmakers will likely back Abe in the September presidential race. It has become certain that Abe will win in a landslide since the expectation is that a number of the LDP

TOKYO 00004866 005 OF 010

rank-and-file member votes will go to him.

Movements in LDP over the presidential race

Factions backing Abe

Mori faction (86 members) Niwa-Koga faction (48); part of the 48 supports Tanigaki or Aso Ibuki faction (32) Nikai group (15) Members with no factional allegiance (71); most of the 71 back Abe.

Factions letting their members cast their votes independently

Tsushima faction (74); majority of the 74 supports Abe. Yamasaki

SIPDIS

faction (36), including supporters for Abe and for Tanigaki

Faction backing Sadakazu Tanigaki

Tanigaki faction (15)

Faction supporting Taro Aso

Kono group (11)

Undecided

Komura faction (15); most of the 15 back Abe.

Abe approves Yanagisawa to head his election strategy headquarters

In his meeting yesterday with former economic planning agency chief Koji Omi, a Mori faction member, Chief Cabinet Secretary Shinzo Abe accepted his suggestion that Hakuo Yanagisawa, former Financial Services Agency chief, be picked as chief of his election strategy headquarters for the September party leadership race.

9) Japan-China summit may take place as early as November; Abe considers meeting at APEC in Vietnam

MAINICHI (Page 1) (Full)

August 25, 2006

Chief Cabinet Secretary Shinzo Abe yesterday started coordination to hold a Japan-China summit before the end of this year on the assumption that he will assume the prime ministership after winning the presidential election of the ruling Liberal Democratic Party (LDP) in September. He hopes to realize a summit on the sidelines of the Asia-Pacific Economic Cooperation (APEC) conference scheduled for November in Vietnam. Abe and his aides believe that if Abe does not visit Yasukuni Shrine before the end of this year, since he already visited there in April, it will be possible to pave the way for the summit.

LDP Policy Research Council Chairman Hidenao Nakagawa pointed out in a speech in Naha City, Okinawa, the same day that there were moves on the Chinese side seeking for improvement in bilateral relations, stating:

"If a Japan-China summit is realized taking advantage of the APEC conference and other occasions, this will serve Japan's national interests. China released a statement on Aug. 18 calling on both Japan and China to make efforts for opening summits."

Summits between the top leaders of Japan and China have been suspended since Prime Minister Junichiro Koizumi and President Hu Jintao held one in April 2005 on the sidelines of the Asia-Africa summit conference held in Jakarta, Indonesia.

TOKYO 00004866 006 OF 010

10) Abe to set up National Security Council in Kantei, aiming for stronger alliance with US

ASAHI (Page 2) (Abridged)

August 25, 2006

Chief Cabinet Secretary Abe is advocating setting up a National Security Council (NSC) as a campaign pledge in his manifesto for the

ruling Liberal Democratic Party's upcoming presidential election. This NSC initiative is intended to strengthen the Japan-US alliance. The Koizumi cabinet has also studied it since 2002 with the goal of strengthening the functions of the prime minister's office and fulfilling crisis management and civilian control. However, there are many challenges in store for the initiative, such as what to do about its staffing and budget, as well as how to change politicians' way of thinking.

The LDP held a convention of its southern and northern Kanto blocs on Aug. 22, in which Abe noted that the foundation of Japan's foreign and security policies is its bilateral alliance with the United States. Abe also suggested the need for Tokyo to hold periodic and strategic dialogues with Washington. "I hope the White House and the prime minister's office can hold such dialogues, so we'll have to create an organization at the prime minister's office like the United States has the NSC at the White House," Abe said.

According to government officials, the prime minister's office and the White House have had more direct dialogues since the September 2001 terrorist attacks in the United States. Abe has also held frequent talks with White House National Security Adviser Hadley over the telephone since he became chief cabinet secretary in October 2005. Abe also thinks he has obtained results, such as a United Nations resolution against North Korea's firing of ballistic missiles.

The government, according to an official, has considered a Japanese version of the NSC to reduce red tape and overcome bureaucratic sectionalism and create political leadership. "It was not for the purpose of strengthening the Japan-US alliance," the official said. The Cabinet Secretariat had the National Institute for Defense Studies, a think-tank of the Defense Agency, conducted a yearlong study from April 2002 of NSC-related entities in major countries, such as Britain, the United States, China, and South Korea, laying emphasis on how to create a comprehensive national security strategy.

Abe, meanwhile, will have to clear a number of challenges to establish a new security body like the NSC at the White House. One of the challenges is staffing. The US government has been proceeding with the interdepartmental unification of intelligence functions. In 2005, the US government established the Office of the Director of National Intelligence (DNI). The DNI briefs the president every morning on the latest classified information and analytical findings. In addition, the DNI also distributes three daily reports to US government officials. The DNI is staffed with more than 60 personnel, excluding those seconded from other US government offices.

In the meantime, the Cabinet Secretariat's staff for security and crisis management is made up of about 100 personnel. However, its full-time staff numbers only 10. Based on the 2002 study, there were calls from within the government for increasing its staff to 30 or

TOKYO 00004866 007 OF 010

so. However, its staff has yet to be increased due to its budget slot and opposition from other government offices.

11) Aso positive about collective defense

YOMIURI (Page 2) (Abridged)
August 25, 2006

Foreign Minister Aso, who has now announced his candidacy for the ruling Liberal Democratic Party's presidential election, took a positive stance in an interview yesterday about allowing Japan to exercise the right of collective self-defense, which is prohibited under the government's constitutional interpretation. "I don't know why Japan cannot use it since it already has that right," Aso said. "If the country is destroyed as a result of abiding by the law, that's wrong," he added.

Aso also raised a question about the government's current interpretation of constitutionality over its prohibitions against the right of collective self-defense, saying, "It's strange that

even if a US ship comes under terrorist attack in the Indian Ocean, a Self-Defense Forces ship is not allowed to fight back against those who attacked." Aso also said, "We're asking for help when we're attacked, but we're saying we don't care about our ally's ship." He added, "I wonder if that's acceptable in the international community."

12) 21 LDP anti-Abe lawmakers launch study group on foreign policy under Kato, Yamasaki, to indirectly support Tanigaki

ASAHI (Page 4) (Full)
August 25, 2006

Liberal Democratic Party members critical of the Asia policy of Prime Minister Koizumi and Chief Cabinet Secretary Abe yesterday launched a group calling itself "the study group on visions for Asia diplomacy." The group is chaired by former LDP Secretary General Koichi Kato, with Hajime Funada, a member of the Tsushima faction, as acting chairman. Its inaugural general meeting brought in 21 lawmakers, also including former LDP Vice President Taku Yamasaki and Seiichiro Murakami, a Komura faction member. The group decided in the meeting to release after the LDP presidential election a set of recommendations on foreign policy that gives priority to Asia. The decision stems from the view that "Prime Minister Koizumi's foreign policy places too much weight on the Japan-US alliance," as Yamasaki said.

The group is composed mainly of members of the Yamasaki faction and the Tanigaki faction, with nine and seven joining the inaugural meeting, respectively. The Mori faction, the Ibuki faction, and the Nikai group have expressed support for Abe as the next prime minister. No one from these factions has joined. The group aims to indirectly support Finance Minister Tanigaki, who has stressed in his election campaign the need to place importance on Asia.

13) Ozawa to leave for US on Sept. 3

YOMIURI (Page 4) (Full)
August 25, 2006

Ichiro Ozawa, president of the leading opposition Democratic Party of Japan (Minshuto), will visit the United States on a five-day

TOKYO 00004866 008 OF 010

schedule from Sept. 3. He will participate in the Japan-America Grassroots Summit to be held in Colorado.

14) Minshuto head Ozawa releases policy platform in run-up to party presidential race; 50% cut in income, local taxes; Emphasis on employment, agricultural administration

YOMIURI (Page 1) (Full)
August 25, 2006

Democratic Party of Japan (DPJ = Minshuto) head Ozawa yesterday released a package of basic policy proposals, which he will present for the party presidential election to be announced on Sept. 12. The package characterized employment policy and agricultural administration as key policy items with the slogan "establishing a safety net suitable for Japan." Regarding the tax system, Ozawa proposed large-size tax breaks, including 50% cuts in the income and residential taxes from the present level, and turning the consumption tax into a welfare purpose-tax. Regarding the diplomatic field, the package called on Japan to positively take part in peace activities by the United Nations, based on its request.

Ozawa is certain to be reelected in the presidential election. He intends to promote intra-party debate, based on his policy platform, and reflect the outcome in Minshuto's commitments to the Upper House election next summer.

Regarding the image of the state Minshuto will aim at, the package advocated the realization of a fair country, based on the ideal "coexistence."

As employment measures, the package noted that the lifetime

employment system should be maintained, and the mandatory retirement age should be extended to 65. Regarding agricultural administration, an income guarantee system for all farm households would be established, based on the target that the food self-sufficiency rate should be raised to 100%.

The aim of the target for bringing down the income and residential taxes 50% is to boost consumption by the people and bring about the economy's sustainable stable growth. According to the proposal, the income tax rates would be simplified from the present four steps - 10-20-30-37 % - to three steps - 5-1-20%. The name of the tax (shotoku) will be changed to the shunyu (= income) tax. The package does not refer to resources to fund tax cuts.

Various tax reductions would be abolished. A child allowance would instead be introduced. The first child would receive 20,000 yen per month, 40,000 yen for the second child and 60,000 yen for the third child. The package thus gave consideration to the need to deal with the nation's declining birthrate.

In the diplomatic area, the platform indicated a desire to improve Japan-China and Japan-South Korea relations, noting that Japan as a member of Asia should attach importance to the construction of a relationship of trust with various Asian nations, including China and South Korea.

15) Yushukan to make changes due to misleading display descriptions regarding America's WWII strategy

SANKEI (Page 1) (Excerpts)

TOKYO 00004866 009 OF 010

August 25, 2006

The Yushukan war history museum run by Yasukuni Shrine has begun reviewing part of the descriptions on the displays of the United States' strategy during World War II, the reason being that some of the expressions are misleading. Even some commentators who support Yushukan's historical views have pointed out that the descriptions in question were one-sided. As a result, the museum has decided to make changes to the descriptions, admitting that there were some subjective expressions. It is extremely rare for the museum to make major such changes to its displays.

Changes will be made to the part titled "Roosevelt's great strategy" that explains America's WWII strategy.

This part begins with an explanation on America's economic plight: "Franklin D. Roosevelt, in his third term as US President, was struggling with the US economy which had not recovered during the Depression."

The description also suggests that there was anti-war public opinion in the United States: "Roosevelt, having anticipated a war would break out from early on, decided in 1939 that the United States would join Great Britain to fight a war against Germany, but he encountered hard resistance from anti-war sentiments among the American public."

The description continues: "The only option available to Roosevelt, who was promoting a 'victory plan' to prepare for war that involved providing military assistance to Great Britain and China, was to drive resource-poor Japan into a tight corner with a trade embargo to force it to wage a war. The US economy totally recovered due to its participation in the war." This part can be taken to mean that the US pressed Japan to open war in order to turn round the US economy. Yushukan reportedly began considering reexamining such descriptions around April and started reviewing them seriously in July.

16) A month after removal of embargo, 42 tons of US beef so far imported: Retailers backing off due to BSE concerns

MAINICHI (Page 9) (Full)

August 25, 2006

Administrative Vice Agriculture Minister Yoshio Kobayashi yesterday told a news conference that the total of US beef imported as of August 23 a month after the lifting of an embargo is approximately 42 tons or 18 shipments. When the first ban was lifted last December, 663 tons passed customs in a one-month-period until the second ban was placed. Consumer concerns about the safety of US beef are now stronger than the previous time. This appears to be the background of retailers backing off importing US beef.

Though the first ban was removed on Dec. 12 last year, a ban was reimposed on January 20, following the discovery of specified risk materials (SRM), which are believed to be the cause of BSE, in shipments that arrived at Narita Airport.

17) Cabinet Office survey on fake brand-name products: 45% tolerate purchase of fakes

ASAHI (Page 4) (Full)

TOKYO 00004866 010 OF 010

August 25, 2006

In "a special survey on intellectual property" released yesterday by the Cabinet Office, 45% of respondents said they tolerate the purchase of fake brand-name products, citing their lower prices. If one brings counterfeit products into the nation for business purposes, the transportation itself constitutes a violation of the Commercial Code, but bringing in such products on an individual basis is acceptable even legally. Many travelers therefore bring in fake brand-name products. The Cabinet Office has sent out a message saying: "We want people to know that the transportation of counterfeit products infringes on intellectual property rights." The survey was conducted of 3,000 people aged 20 or over on July 20. Of them, 60% responded.

In a question asking about an attitude toward fake products, 47.4%, more than in a similar survey in July 2004 (39.6%), replied: "We should not buy fakes for any reason." But those who responded favorably to the purchase of fakes accounted for 45.2%, almost the same as in the previous survey (46.9%). As the reason for tolerating the purchase of fakes, "the prices are lower than those of the real things" accounted for 29.7%, followed by "they have different designs and styles from the real things with 9.8%, and "fake goods are publicly sold" with 5.6%.

DONOVAN